

RESOLUTION NO. 2009-109

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ELK GROVE APPROVING THE FEDERAL ENERGY EFFICIENCY AND CONSERVATION BLOCK GRANT AND OTHER ENERGY EFFICIENCY FUNDING REQUESTS

WHEREAS, on February 17, 2009, the Federal Government authorized the American Recovery and Reinvestment Act a component of which is the Energy Efficiency and Conservation Block Grant (the "EECBG"); and

WHEREAS, the City of Elk Gove was allocated \$1,160,800 under the formula grant component of the EECBG; and

WHEREAS, in keeping with the City's goal of creating a sustainable living environment, City Council desires to seek additional available funding through the competitive EECBG and other opportunities to promote energy efficiency and conservation within the City of Elk Grove.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Elk Grove hereby approves the following Energy Efficiency and Conservation Block Grant funding requests:

\$1,160,800 EECBG FORMULA GRANT REQUESTS

- Sacramento Regional Energy Alliance – The City seeks \$100,000 as an initial investment in joining the Sacramento Regional Energy Alliance currently under formation through SMUD's leadership. The Alliance will offer many programs to Elk Grove's residents, such as energy efficiency education, energy surveys, rebates and financing programs to help promote and ease the cost of undertaking energy efficiency and renewable energy projects.

EECBG Eligibility – By partnering with SMUD and other regional entities, the City will have improved coordination of energy-related policies and programs across jurisdictional levels of governance and with other local and community level programs in order to maximize the impact of its EECBG funds on long-term local priorities. The Alliance aims to transform markets and increase investments in EECBG program goals. The size of the Alliance allows it to leverage federal funds with other public and private resources and promotes widespread use.

- Compressed Natural Gas Fast Fill Station – The City seeks \$225,000 to construct, maintain and operate a Compressed Natural Gas (CNG) fueling facility in Elk Grove on Elkmont Drive at the Venco/Farrell Gas Station. The City will enter into an agreement with the private firm Clean Energy to pay for fuel costs and administration of the facility in exchange for Clean Energy's construction capital investment.

EECBG Eligibility – The CNG Fast Fill Station project prioritizes energy efficiency as the cheapest, cleanest, and fastest way to meet energy demand over the long term. The facility will create permanent operations jobs in addition to design and construction jobs for up to 12 months. The completion of the project will result in lower Greenhouse Gas (GHG) emissions and improved air quality. The project budget leverages these federal grant funds through partnership with Clean Energy, in the private sector. The presence of a CNG fueling station in Southern Sacramento County will provide incentive for other government, industrial, commercial and residential vehicle CNG use.

- CNG Transit Shop Upgrades – The City seeks \$100,000 to make energy efficiency retrofits to the existing E-tran maintenance shop. Including installation of auto rollup doors, e-stops, energy efficient fans and a methane detection system.

EECBG Eligibility – This project prioritizes energy efficiency and facilitates the transition of the City's fleet to CNG, thus resulting in lower greenhouse gas emissions. Upgrading the transit shop maximizes long term benefits by providing efficient facilities that promote and prioritize future CNG use by the City.

- Street Lighting Induction Light Program - The City seeks \$148,000 to replace 350 existing high pressure sodium vapor (HPS) street lights along Laguna Boulevard / Bond Road and Elk Grove Boulevard with energy-efficient light bulbs called induction lamps. The project is estimated to save the City approximately \$86,000 annually, a portion of which will be used to fund induction light installations and other energy efficiency improvements in existing and future development throughout the City. The City anticipates \$211,000 in construction costs, but will receive a rebate of 30% of construction costs from Sacramento Municipal Utilities District (SMUD) through an existing rebate program.

EECBG Eligibility – Replacing existing street lights with energy efficient induction lights prioritizes energy efficiency as the cheapest, cleanest, and fastest way to meet energy demand over the long term. It increases demand for green technology by creating a large market for induction light production. Using savings to fund future installations and energy efficiency improvements creates a program that impacts local priorities and leverages grant funding with SMUD rebates long term. The program will result in lower GHG emissions from current and future city developments.

- General Plan Sustainability Element – The City seeks \$150,000 to develop a comprehensive General Plan Sustainability Element. The City will contract the production of a GHG Emissions inventory and GHG emission and energy use reduction Climate Action Plan, and conduct a comprehensive public outreach campaign to promote energy efficiency and conservation by educating the public and receiving public input regarding the plan. Finally the City will incorporate this all into the General Plan Sustainability Element.

EECBG Eligibility – Creating a sustainability element links energy efficiency efforts to long-term priorities, thereby maximizing the benefits of the EECBG over the longest possible term. Creating such a policy has the ability to transform the Elk Grove market. Creation of a Climate Action Plan is a recommended first step as outlined by the Department of Energy and the EECBG for any agency undertaking an energy efficiency program.

- Household Hazardous Waste Facility – The City has plans to construct a Household Hazardous Waste Facility (HHHW). The City seeks \$190,000 for the planning, design and construction of renewable energy, specifically a photovoltaic solar energy generation system at the HHHW site.

EECBG Eligibility – The Construction of the HHHW facility and the renewable energy component will create construction jobs and permanent facility operations jobs within the Elk Grove community. The City will leverage federal and state funding for completion of this project. The construction of the new facility using renewable energy shows the City's long term commitment towards energy efficient development. The project has the potential to have a net zero GHG emissions impact.

- City Hall Energy Efficiency Retrofit – The City seeks \$131,720 to fund various energy efficiency measures in all City Hall buildings, such as upgrades to lighting, window film and sensors. It also includes design and construction of a solar water heating system for the City's Fleet Building. These retrofits have been identified in a previously conducted energy audit of City Hall.

EECBG Eligibility – These upgrades prioritize energy efficiency as the cheapest, cleanest, and fastest way to meet energy demand over the long term. City Hall energy consumption is projected to decrease 20% along with GHG emissions resulting from energy production. A 70% reduction in natural gas use for water heating is projected. The City has begun benchmarking current energy performance and results can easily be tracked as we move towards these aggressive goals.

- City Administrative Costs – The City seeks \$116,080 (or 10% of the formula grant allocation) to reimburse the City for administrative costs related to the program.

EECBG Eligibility – This is the maximum amount allowed for reimbursement under the EECBG. Requirements of the program, such as tracking, reporting, creation of an EECBS and a highly detailed application have and will continue to involve use of staff time.

EECBG COMPETITIVE GRANT AND OTHER FUNDING REQUESTS

The City will continue to seek funding beyond the EECBG formula grants outlined previously. Those projects are listed below.

- Sacramento Regional Energy Alliance – The City will seek up to \$500,000 in additional funding.
- Household Hazardous Waste Facility – The City will seek up to \$4,490,000 in additional funding for elements of this project that may be deemed eligible for energy efficiency, conservation or renewable energy production grants.
- Compressed Natural Gas Fast Fill Station: The City will seek up to \$1,300,000 in additional funding.
- City Hall Energy Efficiency Retrofit – The City will seek up to \$1,000,000 in additional funding.

In addition, the City will seek funding, as necessary for the following energy efficiency, conservation and renewable energy projects.

- City Hall Photovoltaic Solar Energy System – The City will seek up to \$4,000,000 for the design, purchase, installation or power purchase agreement relating to the addition of Photovoltaic Solar energy producing panels to City Hall.
- Direct Install Programs – The City will seek up to \$500,000 in funding as it is made available to create direct install programs for small businesses, particularly in Old Town and low income residents throughout the City to help promote energy efficiency through low cost projects. Costs of such programs include equipment purchases, installation and program administration.
- California Communities AB 811 Financing Program – The City will seek up to \$50,000 in funding to join the AB 811 financing district California Communities is in the process of creating. The district will allow property owners of participating jurisdictions to fund energy efficiency and renewable energy upgrades through a property tax assessment. It is currently anticipated that there will be no start up costs for cities to participate, however the program is in the preliminary planning phase.
- Development of Green Building Codes – The City will seek up to \$150,000 in funding to develop Green Building Codes.
- Green Sector Economic Development Incentives – The City will seek up to \$1,000,000 to develop and fund future green sector economic development incentives to promote high paying green sector employment and market activity in the City.

BE IT FURTHER RESOLVED that the City Council of the City of Elk Grove hereby directs staff, to complete the EECBG formula grant application with the project list and funding requests outlined above and continue to pursue funding for the other energy efficiency projects listed through the competitive EECBG and other sources.

PASSED AND ADOPTED by the City Council of the City of Elk Grove this 27th day of May 2009.



PATRICK HUME, MAYOR of the
CITY OF ELK GROVE

ATTEST:

APPROVED AS TO FORM:



SUSAN J. BLACKSTON, CITY CLERK



SUSAN COCHRAN, CITY ATTORNEY

CERTIFICATION
ELK GROVE CITY COUNCIL RESOLUTION NO. 2009-109

STATE OF CALIFORNIA)
COUNTY OF SACRAMENTO) **ss**
CITY OF ELK GROVE)

I, Susan J. Blackston, City Clerk of the City of Elk Grove, California, do hereby certify that the foregoing resolution was duly introduced, approved, and adopted by the City Council of the City of Elk Grove at a regular meeting of said Council held on May 27, 2009 by the following vote:

AYES : COUNCILMEMBERS: *Hume, Scherman, Cooper, Davis, Detrick*

NOES: COUNCILMEMBERS: *None*

ABSTAIN : COUNCILMEMBERS: *None*

ABSENT: COUNCILMEMBERS: *None*



Susan J. Blackston, City Clerk
City of Elk Grove, California